



AMERICAN PUBLIC WORKS ASSOCIATION

Your Comprehensive Public Works Resource

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October 13, 2008

Mr. Larry J. Prather
Assistant Director of Civil Works
HQUSACE
441 G Street, NW
CECW-ZA
Washington, DC 20314-1000

RE: ECONOMIC AND ENVIRONMENTAL PRINCIPLES AND GUIDELINES FOR WATER AND RELATED LAND RESOURCES IMPLEMENTATION STUDIES; AVAILABILITY OF PROPOSED PRINCIPLES AND REQUEST FOR COMMENTS

Dear Mr. Prather:

The American Public Works Association (APWA) is pleased to offer the following comments for the revision of the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies, dated March 10, 1983. APWA represents more than 29,000 members who design, build, operate and maintain transportation, water supply and wastewater treatment systems, waste and refuse disposal systems, public buildings and grounds, and other structures and facilities essential to the economy and the American way of life. Public works professionals serve a diverse range of local communities, municipalities, cities, townships, villages and districts, whether large or small, urban or rural.

Principles and Guidelines

The 1983 Principles and Guidelines directed the U.S. Army Corps of Engineers (USACE) to formulate and recommend water resources plans in response to a single "Federal" objective – maximizing net national economic development benefits. With a few rare exceptions, this approach has proved to hamstring efforts to encourage water resources planning to meet its maximum potential. Specifying a "Federal," not "National" objective suggests that the Federal government is pursuing its own well-being rather than the welfare of the "nation." The annual Federal budget process confirms time and time again that the interest of the Federal government is driven by how much it can save in spending versus what it invests in the development of our Nation's water resources infrastructure. This short-sighted view of the past must recognize the true long-term economic benefits of this program and simultaneously give way to a more comprehensive, "National" framework.

PRESIDENT
Noel C. Thompson
Consultant
Thompson Resources
Louisville, Kentucky
EXECUTIVE DIRECTOR
Peter B. King

Assessment of the Proposal

APWA is greatly concerned that the proposed Principles reject the comprehensive watershed planning approach advocated by the vast majority of the speakers during the June 5 hearing. The newly proposed Principles have taken what was a consistent and transparent process for planning for water resources projects and created a scheme that is ambiguous and unnecessarily complex. It appears that the proposed Principles not only failed to consider most public input, but also ignored important goal and objectives.

A New Strategy

A new strategy and approach for water resources planning and development is imperative. Water resources planning must support sustainable development and recognize the multiple objectives of public safety, environmental quality, economic development, and social well-being. We can no longer afford to focus on the narrow objective of National Economic Development.

In order to reflect the intent of the Water Resources Development Act of 2007 and recent USACE practice aimed at sustainable development, the revised Principles should return to the emphasis of multiple national objectives that include public safety, economic development, environmental quality, and other social effects. Another objective that should receive equal consideration is collaborative planning and implementation.

- **Public Safety.** Above all considerations, the revision of the Principles should include, of paramount importance, a national public safety standard. The devastation caused by Hurricanes Katrina and Rita underscore the need for water resources planning to have a primary national objective and calls for the development of a national public safety standard to protect human life.
- **Economic Development.** The development of our Nation's water resources fosters economic development, facilitates trade and commerce, aids international competitiveness, stimulates employment, provides water recreation opportunities, enhances agricultural and industrial productivity and augments our National defense. Historically, such programs have had numerous economic benefits. Flood damage reduction projects alone have prevented an estimated \$706 billion in damages - an eight-to-one return on the Federal government's investment; and Operations and Maintenance work provides an average of \$14.10 return for every dollar invested. In the Mississippi Valley and Tributary System, more than \$24 in damages is saved for each dollar spent. Key decision makers must consider the positive contributions water resources development contribute within the context of a national economic development objective.
- **Environmental Quality.** Our Nation's quality of life is highly dependent on enhancing the environment. National water resources planning objectives must include restoration of aquatic ecologies.
- **Other Social Effects.** Our Nation has proved time and again that we are stronger in times of tragedy. We pull together to provide assistance to those less fortunate than ourselves. The tragedy of Hurricanes Katrina and Rita exposed both a social and economic divide and demonstrated the effects of such devastation on the less fortunate. The experience of the Gulf Coast highlights that the national economic development objective is a model that does not take into serious consideration the protection of low income households. It is imperative that the planning process adjust this model and include social effects as a major consideration.

Additional Issues

APWA also has comments on some specific issues that the proposal raises. If given additional time, APWA will continue to solicit additional information and insights from its members, and will be pleased to share the results with USACE. If not, APWA hopes that USACE at least take the time to explore these issues on their own.

Collaborative Planning and Implementation

The revised Principles must emphasize that there must be a stronger role for non-Federal partners in planning and decision-making. Water resources planning must fashion optimal watershed solutions that select elements from a full range of best management practices including those of other Federal agencies, non-Federal governments, and non-governmental organizations. Different perspectives and a more comprehensive discussion and evaluation of complex problems, interrelated concerns, and potential projects are more likely to occur with a collaborative approach.

Alternative Plans

There is, we believe, an inordinate amount of emphasis placed on “alternative plans and “required alternatives” in the draft principles. It is always smart to evaluate and have all available options and alternatives available in order to make the best decision for project planning. However, we are concerned that in given the numerous bureaucratic hurdles water resources projects must endure, including the normal regulatory and Congressional appropriations processes, over reliance on such “plans” will become the norm. Projects should be completed based on needs; alternatives may serve as a back door mechanism for “downscoping.”

Benefit Cost Ratio

We are greatly concerned that the proposed Principles call for a significant change in the benefit cost ratio for most projects. Realistically, the Office of Management and Budget has not supported projects in the President’s budget that offered less than a 3:1 ratio for the past several years. The benefit-cost analysis is neither a fully comprehensive nor an exact method for evaluating the many trade-offs a project could generate, particularly in areas of public safety, environmental and social trade-offs. Accordingly, project assessments are often based on a limited set of factors that are clearly measurable in dollar terms while ignoring factors that cannot be readily quantified in dollars. That said, APWA believes that benefit-cost analysis is a necessary tool that must be utilized. Judging the positive and negative effects of water resources projects is not a straightforward task. It is critical that these projects are given the full consideration of national objectives that include public safety, economic development, environmental quality, and other social effects, not just only cost.

Science-Based Analysis

In the past, the use of peer review by USACE has not provided meaningful outside review in every instance where it is pertinent and appropriate. The draft Principles state that internal peer review will continue to be the norm, with outside experts to be brought into the process “to confirm the agency’s analytical methods and analysis” as well as its conclusions and its conduct of the planning process. Peer review should not be used to “confirm” USACE’s own judgments. The Principles should emphasize that USACE shall adopt external peer review for all projects the failure of which would significantly endanger the public health, safety, and welfare. Moreover, the Principles should emphasize that peer review should include outside non-federal professionals and professional associations.

Implementation

The original Principles and Guidelines applied not only to the Corps of Engineers, but also to the Bureau of Reclamation, the Department of Agriculture and the Tennessee Valley Authority. We believe it is important that the new Principles and Guidelines continue to apply to all four of these agencies and that possible consideration be given to their applying to projects developed under the Department of Energy. A holistic approach ensures a consistent set of rules and procedures for the nation’s water resource programs. It would not be unusual as the country is encouraged to look at water programs on a watershed basis that several of the Federal agencies might have projects in the given watershed. State and local parties shouldn’t have to find themselves in situation of having a different set benefits and costs for each of these agencies and departments.

In this instance a “one size fits all approach is appropriate. As we looked at the WRDA 2007 requirement, Congress has given plenty of time for interagency coordination and cooperation to occur for the development of this effort. If that proves not to be the case then an extension of time should be requested. The nation’s taxpayers shouldn’t be cheated by the haste to meet a deadline that doesn’t reflect the need to modernize these economic elements for our water resource program.

Interagency Impact

The Congress made clear in Section 2031 of PL 110-114 when the applicability of the new Principles and Guidelines is to take place and that these revisions should not affect the validity of any completed study of a water resource project. Until the revisions of the Principles and Guidelines and the procedures are complete and published per the requirements of the Act, we do not believe the Executive Branch should be using “proposed changes” such as those to the benefit cost-ratio on any project or study that is currently scheduled for a Record of Decision or similar recommendation by the expected date of enactment as envisioned by Congress. The existing Principles and Guidelines and process should be used out of fairness to the sponsor.

Concluding Remarks

We appreciate the effort by USACE to reach out to all interested parties in the development of the new Principles and we are willing and committed to working with USACE to provide our expertise to facilitate a successful conclusion to this effort.

As USACE works through the revision we emphasize the following:

1. The Principles must emphasize that USACE require external peer review by non-federal professionals and professional associations, the failure of which will greatly endanger the public health, safety and welfare.
2. The benefit cost analysis must conclude that the projects benefits received are consistent with the expenditure of public funds.
3. The revised Principles need to be flexible, timely and open to innovation in the market place of water resources planning. The effort should be state-of-the-art with regard to new and innovative thinking.

Thank you for considering our thoughts on this critical component of the nation's water development program.

Sincerely,

A handwritten signature in black ink, appearing to read "Noel C. Thompson". The signature is fluid and cursive, with the first name "Noel" being the most prominent.

Noel Thompson
President